

## Message Text

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ACTION A-01

INFO OCT-01 ARA-10 ISO-00 DOE-15 PA-01 OPR-02 SS-15  
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P 222054Z MAR 78  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC PRIORITY 1683

C O N F I D E N T I A L CARACAS 2798

E.O. 11652: GDS  
TAGS: OVIP (CARTER,JIMMY)  
SUBJECT: PRESIDENT'S TRIP: ENERGY TOPICS THAT MAY BE RAISED DURING  
CARTER-PEREZ BILATERAL

REF: STATE 060227

1. MARIANO GURFINKEL, AN ADVISOR TO MINISTER OF ENERGY HERNANDEZ WHO IS ASSISTING IN THE PREPARATION OF THE GOV'S BRIEFING PAPERS FOR PRESIDENT PEREZ, HAS INDICATED THAT PEREZ MAY WISH TO DISCUSS ENERGY RELATED ITEMS DURING HIS BILATERAL MEETING WITH PRESIDENT CARTER NEXT WEEK. GURFINKEL SAID THAT PEREZ MAY ASK ABOUT US INTENTIONS WITH REGARD TO THE POSSIBLE IMPOSITION OF TARIFFS OR QUOTAS ON US IMPORTS OF OIL AND OIL PRODUCTS. HE SAID THAT IN VIEW OF THE CURRENT DIFFICULTIES FACING THE ADMINISTRATION'S PROPOSED OIL EQUALIZATION TAX IN CONGRESS, THE GOV IS CONCERNED THAT THE USG MAY BE SERIOUSLY CONSIDERING IMPORT RESTRICTIONS AS AN ALTERNATIVE MEANS OF REDUCING CONSUMPTION. IN THIS REGARD, GURFINKEL SUGGESTED THAT PRESIDENT PEREZ MAY REQUEST SOME FORM OF PREFERENTIAL TREATMENT FOR VENEZUELAN CRUDE AND/OR PRODUCTS IF SUCH RESTRICTIONS ARE IN FACT APPLIED.

2. FOLLOWING FROM THIS, GURFINKEL SAID PRESIDENT PEREZ MAY ALSO SUGGEST THE POSSIBILITY OF VENEZUELA ASSURING THE U.S. OF THE SUPPLY OF SOME SPECIFIED VOLUME OF OIL IN RETURN FOR US ASSURANCES  
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OF PREFERENTIAL ACCESS FOR VENEZUELAN OIL INTO THE US MARKET.

3. FINALLY, GURFINKEL SUGGESTED THAT WITH REGARD TO LONGER TERM SUPPLY PROSPECTS, PRESIDENT PEREZ MAY WISH TO RAISE THE POSSIBILITY THAT THE TWO COUNTRIES EXPLORE POSSIBLE "MEASURES OF COOPERATION BASED ON SHARED INTERESTS AND INCENTIVES" FOR THE DEVELOPMENT OF THE ORINOCO HEAVY OIL BELT, IN LINE WITH MINISTER HERNANDEZ'

SUGGESTIONS DURING HIS MEETING WITH SECRETARY SCHLESINGER ON MARCH 6 (REFTEL).

4. COMMENT. WHILE PEREZ MAY TOUCH ON ONE OR MORE OF THESE POINTS, AND PRESIDENT CARTER THEREFORE SHOULD BE PREPARED TO FIELD SUCH QUESTIONS, WE DOUBT WHETHER PEREZ WILL WANT TO ENTER INTO A LENGTHY OR DETAILED DISCUSSION IN THIS FIELD.  
VAKY

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## Message Attributes

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